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ILLINOIS HOMEOWNER'S HANDBOOK ON HOME REPAIR



NEIL F. HARTIGAN

Attorney General
State of Illinois



Dear Illinois Consumer:

An informed and educated consumer is one of the best ways to avoid problems in today's marketplace. One of the priorities of the Attorney General's office is consumer education of Illinois consumers while improving enforcement of current laws.

Complaints received in the area of home repair and construction have steadily increased in recent years resulting in losses of millions of dollars to Illinois residents. Homeowners may not be familiar with contractual terms, material specifications and labor required for home improvements, thus becoming easy targets for unscrupulous con men. The purpose of this pamphlet is to assist Illinois consumers in identifying problem areas, clearing up misconceptions and to encourage communication between the homeowner and contractor to alleviate problems before they occur.

Sincerely,

A handwritten signature in black ink, reading "Neil F. Hartigan". The signature is written in a cursive style with a long horizontal line extending to the right.

NEIL F. HARTIGAN
Attorney General of Illinois

COMMON COMPLAINTS:

— A contractor knocks at your door and tells you he is working on a neighbor's home (roof, chimney, driveway.) He offers a **“discount”** if you are willing to have similar work done on your home the same day. He convinces you to give him a downpayment; he leaves to pick up his materials, and never returns. Or, he does return and finishes the work. You might later find out you did not receive a discount at all, but were vastly overcharged. Several more months pass and new problems may appear, but the contractor cannot be reached.

— You decide to have improvements done on your home. A construction company advertises its services and you call them for an estimate and to discuss the project. You may wind up signing a vague contract the same day, which simply states the company will **“install siding,” “add a bathroom,”** or **“repair chimney.”** If you are not satisfied with the final work, the contractor may refuse to do additional work unless he receives more money, stating he has completed the work according to the terms of the contract.

— You have repair work completed to your satisfaction and subsequently pay the balance due. Several months later, you find you have a lien against your home for non-payment of a subcontractor's bill.



To avoid problems like these, take time to read and follow carefully the suggestions listed.

FINDING A CONTRACTOR:

1. ***If a company solicits door-to-door, use caution.*** Don't be fooled by "***discount***" offers, or induced by high pressure sales tactics into signing anything immediately. Obtain the full names of the representatives you speak with and the complete name(s) and address(es) of the company and visit their office. Be wary of companies that list only a phone number or post office box number to contact. Note the license plate number of the contractor's vehicle.

2. ***Check the company's reputation.*** Contact your local Chamber of Commerce, the Better Business Bureau, and local building or licensing departments. Does the contractor have the proper licenses and/or registration required? Many communities require a Solicitor's Permit. Check with your local police department or County Clerk to ascertain whether your municipality has such a requirement. Obtain a copy of this permit. Find out whether there have been complaints against the contractor. Is the contractor a member of a professional association?

3. ***Ask for references from satisfied customers.*** Request the names and addresses of other homeowners for whom the contractor has worked and then physically inspect these jobs. Talk to the customer: Were additional costs incurred subsequent to the contract price originally quoted? Was the work done in a timely manner and the workmanship of good quality? Were there any future problems, and if so, were they properly satisfied?

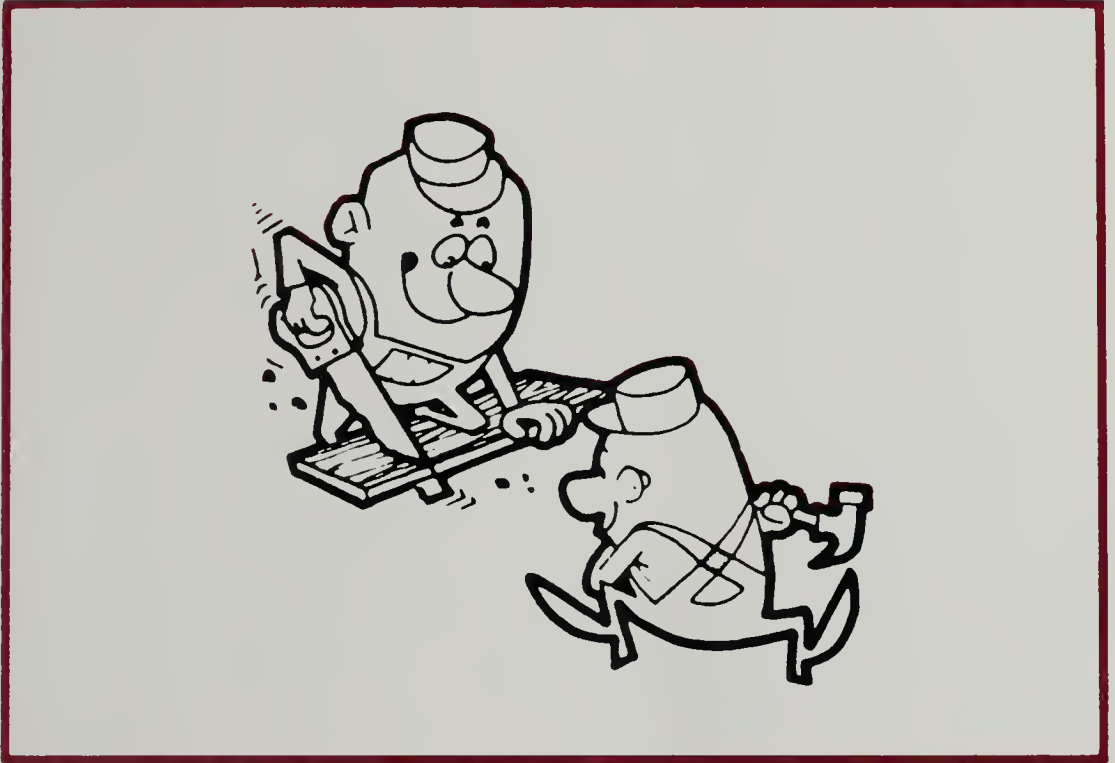
4. ***Find at least three contractors and obtain job estimates.*** Remember, the lowest price is not always the best buy.

5. ***Ask for a copy of the contractor's liability insurance.*** Does he have adequate (and current) coverage for possible accidents which may occur during the job? (Even if the contractor is fully covered, it is wise to check with your insurance company to see if your homeowner's

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policy covers accidents to persons working on your property.)

6. **Obtain copies, from the contractor, of all building permits and licenses necessary before any work is begun.** Licenses and permits are usually required if electrical work or plumbing is being done.



THE CONTRACTUAL AGREEMENT:

1. **NEVER** sign a vague contract with blank spaces, or one you do not fully understand! Take time to **read every clause and provision included!** Remember, once you sign, it may be difficult to cancel.

2. Be certain the contract is **as specific as possible**. This includes:

- Detailed specifications (“**specs**”) of the work to be performed, type of materials used (brand, grade, color, size, etc.), and obtain copies of all drawings or blueprints from the contractor.
- Itemized costs for materials and labor. (Avoid “**special**” package deals of one lump sum.)
- Starting and completion dates.
- Method and schedule of payments. (Amount of downpayment, subsequent, and final payments.) Be skeptical if asked to make a downpayment of 50 percent or more

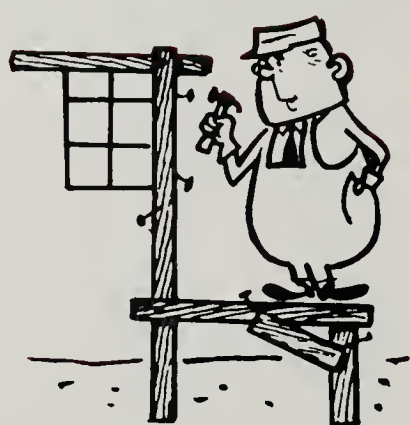
of the total contract price. It is desirable to schedule the final payment 30 days after the work has been completed so you have time to determine whether any problems develop.

Have any and ***all oral promises made in writing.***

— The type of guarantee or warranty involved. Are both materials and labor covered? For how long? Will the contractor service warranties which are offered by the manufacturer of the materials used? Are accidents due to natural disasters, such as high winds covered?

— A provision regarding the contractor's responsibility to clean the premises and remove debris after work is completed.

— A sworn statement of the names and addresses of any subcontractor utilized and ***waivers of liens*** from each. (A ***waiver of lien*** protects the homeowner by insuring that subcontractors have been paid. If subcontractors are not paid, and ***waivers of lien*** are not received, a subcontractor has the right to file a lien against the property.)



IMPORTANT HELPFUL TIPS:

Remember, ***YOU*** are your own best protection! The homeowner must be firm and refuse to be intimidated. A firm written understanding between the homeowner and contractor produces a relationship beneficial to both parties.

— In door-to-door sales of \$25.00 or more, and if the contract is signed in the customer's home, Illinois law says ***the customer has the right to cancel*** before midnight of the third business day after the contract date. This ***“right to rescind”*** clause should be clearly stated on the contract and entitles consumers to receive full refunds of any deposits made.

— ***NEVER*** allow a contractor to drive you to the bank to withdraw money. If you are taking out a loan to finance the work, don't sign the contract before the bank approves the loan.

— For alternative methods of financing, look into rehabilitation assistance programs. Many programs are offered by local authorities as incentives for upgrading or repairing residences.

— ***Do not*** sign a certificate of completion and/or make your final payment until all subcontractors have been paid and the work is done to your satisfaction. Remember, ***you can negotiate*** the amount of the original downpayment.

— Whenever possible, arrange to have someone home while the work is in progress. This insures that any problems which are noted can be corrected while the work is in progress rather than waiting until the job is complete.

The suggestions and hints given above are not absolute, but are intended to get ***YOU, THE HOMEOWNER***, thinking about construction and home repair work before any problems develop.

If you do have a complaint, some methods of resolving your dispute include:

— Mediation and/or arbitration with the contractor and an objective third party. (Ask your contractor if his company participates in such actions.)

— Complaining to local, state, or federal governmental authorities.

— Formal action through the courts with the assistance of a private attorney.



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Attorney General Neil F. Hartigan's Consumer Protection Division is available to assist you if you have any questions or feel you have been defrauded. ***If you feel you have been victimized, it is your right under State of Illinois law to complain.*** Please call, write, or visit the Consumer Protection Division most convenient for you.

CHICAGO OFFICE:

53 West Jackson Boulevard
Suite 335
Chicago, Illinois 60604
Phone: 1-312-793-3580

SPRINGFIELD OFFICE:

500 South Second Street
Springfield, Illinois 62706
Phone: 1-217-782-9011

Call one of these offices to locate the nearest branch office to you. For more information, call Attorney General Hartigan's toll-free helpline numbers.

CHICAGO
1-800-243-5377

SPRINGFIELD
1-800-252-8666